

NORTHEASTERN REMC

A Touchstone Energy® Cooperative



RESPONSE TO APRIL 12, 2006 ENERGY POLICY ACT DATA REQUEST

Item 1:

Q. Describe the present status of time-based metering and communications within your customer base. Include detail by customer class (e.g. residential commercial, industrial) relating to tariff offerings, smart meters deployed, means of communicating collected data with participating customers, and capital invested in infrastructure.

A. Northeastern REMC has time based and load management rates available for residential, commercial and industrial rate classes. One smart meter is deployed in a residential application but total investment in infrastructure is minimal.

Residentially, the base loads for the home are placed on Schedule 10-1. The member has two load shifting rate options available within schedule 10-1: one is Rider 10-2 which places electric thermal storage (ETS) on a flat rate which is radio controlled by our power supplier (21 members are currently on this rate). The second option is similar, but is controlled by the member and has both on-peak and off-peak energy buckets. The current on-peak time is 11am – 7pm five days a week (one member is currently on this rate).

The small commercial members (up to 50 kW demand) receive all general usage on Schedules 30-8 and 30-9 while the ETS equipment can be placed on Rider 30-10. The ETS equipment is radio controlled by our power supplier. The meter measures energy only. No members have taken advantage of this rate.

The large commercial/industrial members (50-1,000 kW) can receive general usage through rates 40-0 or 40-2 while any ETS equipment can be placed on Rider 40-1 (two schools have ice storage). The rate includes a customer charge, demand and energy charge and is controlled by the member.

Item 2:

Q. Describe the methods utilized presently or historically to communicate tariff/program opportunities to customers. Do you have plans to enhance marketing of these opportunities? Explain.

A. Northeastern REMC promotes the rate offerings periodically through our bi-monthly newsletter, The LitePost, and on our website: www.nremc.com. At this time, we will continue to promote off peak ice storage in the commercial and industrial sector because of load shifting benefits. The residential rates for ETS applications are currently unattractive due to large increases in the power tracker from our power supplier.

Item 3:

- Q. Detail any cost/benefit studies conducted for your service area regarding time-based metering communication deployment and tariffs. Detail should at a minimum include cost and demand response assumptions.
- A. No cost/benefit studies have been carried out since the following rates were developed and originally approved; rate 10-2 on December 30, 1997, rate 10-8 on August 16, 1989; rate 30-10 on December 30, 1997; rate 40-1 on December 30, 1997. All of these rates were revised and approved February 4, 2004 which was the last base rate case.

Item 4:

- Q. Detail the response to any customer surveys you may have conducted in your service area regarding time-based metering and rates. If no surveys have been conducted, what customer input method does your utility employ to evaluate customer demand for time-based metering and rate offerings?
- A. Northeastern has not carried out surveys to determine the market for time-differentiated rates. We provide rate options to members to take advantage of alternative heating/cooling equipment that they would find economically beneficial.

Item 5:

- Q. What, if any, regulatory barriers exist which limit the expansion of time-based metering and rates?
- A. Northeastern REMC does not perceive any existing regulatory barriers limiting the expansion of time-based metering and rates.

Item 6:

- Q. Can time-of-use rates be effectively implemented without the use of smart metering? Describe any new or expansion of existing time-of-use rates your utility plans to implement in the next 24 months.
- A. It is our opinion that time-of-use rates cannot be effectively implemented on a wide scale basis without the use of smart metering.

We have no immediate plans to expand our current time-of-use rates. However, we are expanding the RF AMI pilot started in 2005. If the pilot continues to be successful and we move forward with a system-wide roll out, time-of-use rates will become more practical. While these rates may become more practical to implement, we will need to study the effectiveness of such rates given that we are a distribution only electric cooperative.